



# MONTHLY NEWS



November 2005

**Think SEC/N First!**



Recently we took another giant step toward fulfilling the commitment we made to our membership to add value through education. This was accomplished as the first stand alone educational seminar called "Lower Your Risk" was presented at the San Jose Hyatt on Thursday, October 13<sup>th</sup>. I had the pleasure of moderating this seminar and shared real life examples of what can happen to a buyer that does not do their homework before closing a deal.

Over a dozen paying guests were treated to an entire day of presentations and pertinent information that will

be helpful when doing business in the secondary markets. The morning session featured two speakers that dealt with IP and purchasing issues. Mike Ioannou, a senior partner from the San Jose based law firm of Roper, Majestic, Bentley and Kohn addressed the Intellectual Property issues that a buyer of used equipment needs to consider before making a deal. Michael Mihin formerly with Motorola and currently with Broadway Engineering addressed the role of the purchasing agent in used equipment transactions and identified areas of concern that must be considered so as to not put your employer in legal trouble.

The afternoon session featured a presentation by Andy Higgins, Compliance Manager at Rite Track, that informed the attendees of the applicable OSHA regulations, logistical issues and the recent changes in compliance rules that a buyer needs to be aware of. His presentation was followed by a Q&A session in which attendees asked questions to the speakers and/or representatives of the SEC/N member companies in attendance.

Each attendee took home a copy of the Lower Your Risk manual, copies of the presentations and a SEC/N informational packet that contained the names of all SEC/N member companies and information on our organization. The seminar was attended by several end users, finance companies, independent third party engineering companies, OEM's, rebuilders and logistic companies. I am pleased that we have put in motion a program that adds value for our members and provides education to those that do business in our market. Thanks to everyone involved that made this happen!

Best Regards,  
Tim Hayden, SEC/N President

**"To provide both the forum and leadership which enables companies from around the world the opportunity to confidently participate in an open, informed and professional secondary market for equipment and services." - SEC/N Mission Statement**

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Web Site  
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Issue # 2

# EVENTS

## "LOWER YOUR RISK" SEMINAR IN JAPAN

Buying and selling used equipment and/or contracting related services can be risky, even if you have previous experience. Each transaction is unique and usually involves several different players. SEC/N conducted its first "Lower Your Risk" seminar on October 13, 2005 at the Hyatt San Jose Airport Hotel. Attendees listened to presentations from Mike Ioannou (Intellectual Property), Michael Mihin (Purchasing Risks), Andy Higgins (Compliance), and Tim Hayden (Lowering Your Risk). A question and answer session followed.

SEC/N plans to expand on the success of this Seminar by provide similar seminars in the future. The next in a series of "Lower Your Risk" seminars will be presented at SEMICON Japan on December 9th, 2005. For more information on this and other SEC/N related programs, please contact the SEC/N Office at [email@secn.org](mailto:email@secn.org) or call 480-348-0142.

## Semicon Japan December 7-9 2005

SEMICON Japan is being held from December 7th through December 9th. The location is the same as in previous years at Makuhari Messe, near Tokyo, Japan. SEC/N will be co-sponsoring a seminar on "Lower Your Risk" with SEMI and the JEITA organizations. The Seminar is being held at the Show and will run from 9:30 AM until 12:00 Noon on Friday, December 9th. The Seminar is being coordinated by SEC/N's Japan Regional Council.

To pre-register, please contact SEMI through their website at [www.semi.org](http://www.semi.org). For additional information, you may contact the SEC/N Office at [email@secn.org](mailto:email@secn.org) or 480-348-0142.

## Conference & Golf Tournament

**Golf** \$160 per person

**Reception:** Spouses are free but other guests are \$20 each

**Conference:** (Includes all meals and reception)

First attendee from a member company \$250

Additional attendees from a member company \$150

Non-members (walk-ins) \$325

Sponsored non-members \$250

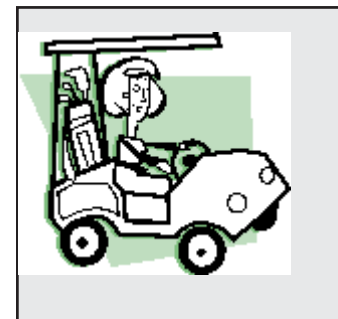
100% of one conference fee will be credited towards a non-member company's annual dues if the company joins SEC/N within 30 days of the conference.

## SEC/N Conference is Scheduled for January 23-25, 2006

The next SEC/N Conference will be held in Tempe, Arizona on January 23-25, 2006. ASML has graciously offered their Training Facility as the Conference site. The Conference will be open to non-members.

The Program Committee is still working on developing the topics for discussion. Please feel free to contact Program Chairperson - Rich Ringle if you have any recommendations.

A golf tournament and western barbeque are also being considered so mark your calendars now to be in Phoenix in January.



# BOARD BUSINESS



[Click Here  
to view  
Board of Directors](#)

## Goals

**To create and continuously improve standards, guidelines, and definitions of common terminologies used in the secondary equipment market.**

**To establish standards of ethical behavior and respect for intellectual property rights among the industry participants on a global basis.**

**To educate and inform current and potential participants about the unique characteristics of the secondary equipment industry.**

**To provide a forum that regularly convenes interested parties from all segments of the secondary equipment industry for action-oriented discussion of topics that are critical to the continuing growth of the industry.**

## FINANCIAL FOOTNOTES By Kyle Schroeder, Treasurer



Since last summer's election of board members, we have been able to complete the transition from Rich Ringler to myself. Part of this transition was to convert to an online accounting system. I am happy to say that things are working pretty well. You might notice a different format on the invoices you see for dues. We will try to send them via email the first day of the

month prior to your renewal.

You may already have had some contact with Brandi Hasbach. As part of her admin duties she helps with our accounting and invoicing. We are lucky to have her working in our office and you are just about guaranteed a good experience if you need to contact her.

As of the end of October, our cash balance is \$21,458.70. Our Accounts Receivable are currently at \$39,200 however that includes some invoices due in November. Overall our liquidity is okay and as long as the dues come in, we should be in good shape through the end of the year.

We are currently working on the budget for 2006. This process gives us a chance to make sure the strategy set for SEC/N can make financial sense, and that our financial resources are dedicated to making that strategy work. Your board is determined to see SEC/N provide meaningful value to its members and our budget will support that strategy.

I will look forward to sharing more financial information with the members as we finish our budget work and produce quarterly financial statements. In the meantime, don't hesitate to contact me if you have any questions or issues.

Sincerely,  
Kyle Schroeder - Treasurer

# SEC/N Office News



## BEHIND THE SCENES

### EXECUTIVE DIRECTOR'S REPORT

By: Gary Alexander  
November 2005

Reports from across the industry confirm that things haven't exactly been booming lately in the semiconductor equipment market. But if the indicator from Semico Research are accurate, hang on to your hats for the next couple of years. Even though there are still no agreed upon metrics for quantifying historical performance of the secondary market, let alone forecasting the future, the outlook is definitely up.

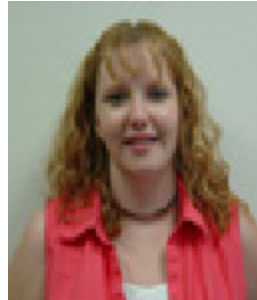
The questions that companies in the industry should be asking themselves are:

1. How well do we understand the global secondary market?
2. How well are we networked with other key market players?
3. Have we adequately identified and mitigated our potential risks?

If your company is a SEC/N member company, you have a definite advantage. Between SEC/N's trade show participation, conferences and seminars, SEC/N member companies have more timely information and opportunities than those non-member companies who have acquiesced or taken more isolationist positions. ([Read More](#))



**Click here to  
CONTACT US**



Have you ever wondered about the person behind that happy voice on the phone? Meet Brandi Hasbach, SEC/N's Office Administrator. Brandi is here with a smile to help you or answer any questions you may have.

When not working for SEC/N

Brandi is a busy Mom of two boys, Griffin (5) and Drake (7mo.) and don't forget Lilly, the family bulldog. You Can reach Brandi at the SEC/N Office 8 AM-12 PM Monday - Friday or Email her at [admin@secn.org](mailto:admin@secn.org)

Trudy Alexander moved to Arizona from Ohio three years ago. As part of AMC Int'l, she is involved in assisting SEC/N with trade shows, seminars, conferences, and other events.

Trudy holds a Degree in Marketing from Capital University in Columbus, Ohio. She has two children. Gary Alexander and Trudy were married



last November and now have four grandchildren. In her spare time, Trudy enjoys running and biking. She also tends to her vegetable and flower gardens. She has had fun recently sewing matching pajamas for her granddaughters and their dolls. Trudy's email address is [talexander@secn.org](mailto:talexander@secn.org).

# MEMBERSHIP COMMITTEE NEWS

## LOOKING FOR VOLUNTEERS *The Membership Committee*



The addition of new members since SEMICON West has been slow at best. Much to my disappointment my availability to spend time on the recruitment of new members has been hampered due to Katrina related projects.

I am looking for volunteers to help out with the New Members Committee. This is an ideal opportunity for someone that wants

to contribute to the growth and advancement of the SEC/N organization. Identifying potential new members does not have to just be performed by myself and the new member committee. Each and every SEC/N member has a unique circle of contacts and business partners. Many of these could indeed lead to be new members and strong contributors to SEC/N.

More than 200 companies have been identified as ones to be contacted regarding involvement with SEC/N. So you can well imagine that it will take considerable work to make the initial contact with these folks. It is inevitable that you current SEC/N members may have strong relationships with many of these companies. The New Member Committee will be soliciting your help with many of these folks that you do indeed have relationships with. The membership committee is also committed to maintaining the current membership. Bringing new companies in the front door is of no value if others are walking out the back door. Offering value to the membership is going to be key.

New Membership is an area that every SEC/N member can help with. As membership in the organization grows and becomes stronger the benefits to all members will be readily apparent.

I would like to thank Gary and Brandi as they have been working behind the scenes with developing a list of potential companies as new members, as well as developing the SOP for New Members. This has been a huge help during the past couple of months that I have been preoccupied and unable to be more engaged.

If you would like to become involved with the New Member Committee please feel free to contact myself or the SEC/N admin office.

Chuck Svendsen - Membership Committee Chairman  
BELFOR Technical Services Group

[chuck.svendsen@us.belfor.com](mailto:chuck.svendsen@us.belfor.com)

### Members

Chuck Svendsen, Belfor USA, Inc, Committee Chair  
Angell Liu, Team A.T.E.

Bill Wintgens, Techlink Equipment & Technology

D.J. Rogers, Telenet Semiconductor 2000

Yoshitaka Sumitomo, Meidensha Corporation, JRC Regional Coordinator

### Responsibilities

SEC/N's Membership Committee is responsible for promoting the growth of membership, as well as guiding new companies through the application process. Our committee facilitates applying and member companies concerns and needs. The goals of the Membership Committee are to be a resource to prospective or new members on SEC/N's activities and direction, to meet the annual membership quota, and to continuously promote SEC/N to all members of the global used electronics equipment community. Our committee is also responsible for suggesting new initiatives and Standard Operating Procedures (SOPs) regarding the membership and renewal processes, and the membership fee structure.

### Committee Members Needed

At present, our committee has several specific membership initiatives: the promotion of SEC/N to device makers and equipment end-users, to companies in the printed circuit assembly industry, and to foreign-based business. SEC/N member companies benefit greatly from a wide array of inputs and perspectives from diverse segments of our industry. We solicit the assistance of current members in these outreach efforts. If you would like to be a part of this committee, please contact: [membership@secn.org](mailto:membership@secn.org).

## BECOME A MEMBER OF SEC/N

[Information about SEC/N](#)

[Application Form](#)

Issue # 2



# SPOT LIGHT ON OUR MEMBERS

## AVIZA Technology

### Services Provided:

OEM, Refurbisher, On-Site Labor, Spare Parts, Training  
Aviza Technology is a leading supplier of thermal processing and deposition products for the global semiconductor industry. The company has sales and customer support facilities in Europe, Taiwan, Japan, Singapore, and Malaysia.

### Products and Services:

The company has three distinct lines of products: thermal processing furnaces, atomic layer deposition (ALD) and atmospheric pressure chemical vapor deposition (APCVD). This equipment is divided into two categories: deposition and oxidation.

Deposition — depositing thin films of varying thickness onto a silicon wafer — is a critical step in semiconductor manufacturing, and becomes increasingly challenging as the critical dimensions of devices continue to shrink.

Thermal oxidation processing — any wafer processing step in which wafers are heated to very high temperatures in an effort to form SiO<sub>2</sub> (silicon dioxide) — is the oldest thermal processing technology and has been used by semiconductor manufacturers since the 1960s

**Mervyn Roberts**

**40 Kings Village Road  
Scotts Valley, California 95066  
(831) 438-2100**

[www.avizatechnology.com](http://www.avizatechnology.com)

[mervyn.roberts@avizatechnology.com](mailto:mervyn.roberts@avizatechnology.com)

## R.B. HIGH TECH Transport, Inc.

### Service Provided:

Logistics Provider, Flat Bed Transportation, Permit Loads, Rigging Services, and Climate and Con Climate Storage.

### Company Overview:

R. B. High Tech Transport, Inc. has been serving the needs of the Semiconductor, Medical and High Value Products industries for the past 15 years. Our primary product is climate controlled transportation.

### Products and Services:

The ideology of R. B. High Tech is that there is exceptional value in being a transportation company whose primary concern is the care of our customer's product. Towards that end, we provide the finest equipment, extensively trained drivers, and the finest technology available in the marketplace on each and every job. Our service area is the 48 continental United States, and Canada. We do not use third party service providers in order to maintain the highest standard of service.

Our leading product is climate controlled transportation. We have a fleet of custom designed climate trailers that are truly the "best of breed". Each trailer is equipped with a data recorder and printer, satellite tracking, lift gate, 10-12 foot side door, and the finest air ride system available. Most of our tractors also have in cab monitoring of the climate unit to allow the driver to monitor the load while driving. All of our climate trailers have the capability of running additional heating/cooling and dehumidifier units, as

back up, from power outlets wired into the trailers that run on independent power from the tractor. Depending on the circumstance, we have 2 axle, 3 axle, spread axle, flat floor, and drop deck configurations.

**R.B. High Tech Transport, Inc. -**

[www.rbhightechtransport.com](http://www.rbhightechtransport.com)

**503 Quarry Road**

**San Carlos, CA 94070**

**650-637-9561**

**650-594-9193 (fax)**

**Peter Page - [rbhtt@aol.com](mailto:rbhtt@aol.com)**

## HAPPY THANKSGIVING



Issue # 2

# INDUSTRY ANALYSIS



◆ Data  
◆ Analysis  
◆ Knowledge

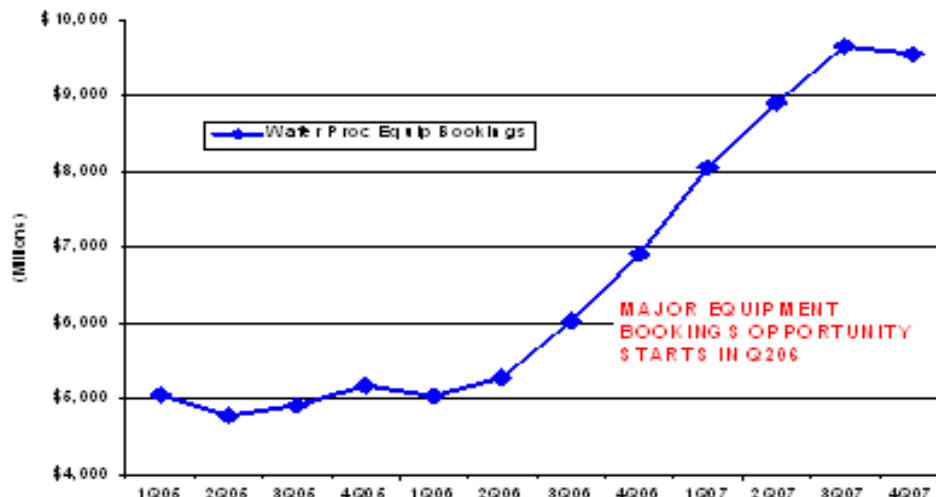
## Climbing Capacity Utilization Creates Capex Increase in 2Q06

Semico Research recently completed a study that demonstrates a relationship between advanced node capacity utilization and capital expenditure. Based on historical data, Semico found that advanced node capacity utilization is a primary leading indicator of how and when semiconductor companies will invest in new fabs in both upturns and downturns of the semiconductor cycle. Not surprisingly, rising capacity utilization predicts rising capex and falling capacity utilization predicts falling capex. However, the study shows that fab capacity decision makers industry-wide are much quicker to delay or stop capex in a downturn than to initiate capex in an upturn. Usually capex declines in the quarter following a capacity utilization decline whereas actual capex spending does not increase until there are two quarters of capacity utilization improvement.

Using our capacity utilization forecast to drive capex and equipment bookings projections, Semico is able to forecast that revenue opportunities will occur for a broad range of equipment companies starting in the second quarter of 2006. In fact, Semico projects that wafer process equipment bookings will increase from about \$5 billion per quarter currently to approximately \$9.5 billion per quarter in the third and fourth quarter of 2007. Capacity utilization will continue to rise throughout 2006 and will approach 100% by 3Q06. Even recently, advanced node capacity utilization has risen faster than originally expected and is now approaching 95%. Book-to-bill ratios for the past two months have exceeded 1.0. Thus, recent data suggests that the semiconductor equipment industry is indeed on track for significant revenue improvement in 2006.

After a capex rise at a compound annual growth rate (CAGR) of 20% for 2006 and 2007, Semico forecasts a decline in capex and wafer process equipment bookings starting in the first or second quarter of 2008. Capacity utilization will start to decline in late 2007 as the rate of capacity coming on line starts to exceed the rate of increasing wafer demand, and this will signal slower budgeted and actual spending. After 5-6 quarters of capex and equipment bookings decline, the industry will then experience the beginnings of yet another upturn in 2009.

As an example of this projected increase, Semico forecasts wafer processing equipment will enjoy seven quarts of growth as depicted



To learn of other projections and the basis upon which these projections were derived, a report titled "SEMICONDUCTOR CAPACITY UTILIZATION AND CAPITAL EXPENDITURE FORECAST 2005-2009" is available from Semico Research Corp. Please contact Mike Caldwell at (602) 997-0337 or at [mikec@semico.com](mailto:mikec@semico.com).